

**HOUSE** \_\_\_\_\_ **AMENDMENT NO.** \_\_\_\_\_

**Offered By**

AMEND House Committee Substitute for Senate Bill No. 0628, Page 5, Section 67.136, Line 8,  
by after all of said line inserting the following:

“67.1305. 1. As used in this section, the term "city"  
shall mean any incorporated city, town, or village.

2. In lieu of the sales taxes authorized under sections  
67.1300 and 67.1303, the governing body of any city or county may  
impose, by order or ordinance, a sales tax on all retail sales  
made in the city or county which are subject to sales tax under  
chapter 144. The tax authorized in this section shall not be  
more than one-half of one percent. The order or ordinance  
imposing the tax shall not become effective unless the governing  
body of the city or county submits to the voters of the city or  
county at any citywide, county or state general, primary or  
special election a proposal to authorize the governing body to  
impose a tax under this section. The tax authorized in this  
section shall be in addition to all other sales taxes imposed by  
law, and shall be stated separately from all other charges and  
taxes. The tax authorized in this section shall not be imposed  
by any city or county that has imposed a tax under section  
67.1300 or 67.1303 unless the tax imposed under those sections  
has expired or been repealed.

3. The ballot of submission for the tax authorized in this  
section shall be in substantially the following form:

Shall ..... (insert the name of the city or county)  
impose a sales tax at a rate of ..... (insert rate of  
percent) percent for economic development purposes?

☐ YES

☐ NO

If a majority of the votes cast on the question by the qualified  
voters voting thereon are in favor of the question, then the tax  
shall become effective on the first day of the second calendar  
quarter following the calendar quarter in which the election was

1 held. If a majority of the votes cast on the question by the  
2 qualified voters voting thereon are opposed to the question, then  
3 the tax shall not become effective unless and until the question  
4 is resubmitted under this section to the qualified voters and  
5 such question is approved by a majority of the qualified voters  
6 voting on the question, provided that no proposal shall be  
7 resubmitted to the voters sooner than twelve months from the date  
8 of the submission of the last proposal.

9 4. All sales taxes collected by the director of revenue  
10 under this section on behalf of any county or municipality, less  
11 one percent for cost of collection which shall be deposited in  
12 the state's general revenue fund after payment of premiums for  
13 surety bonds as provided in section 32.087, shall be deposited in  
14 a special trust fund, which is hereby created, to be known as the  
15 "Local Option Economic Development Sales Tax Trust Fund".

16 5. The moneys in the local option economic development  
17 sales tax trust fund shall not be deemed to be state funds and  
18 shall not be commingled with any funds of the state. The  
19 director of revenue shall keep accurate records of the amount of  
20 money in the trust fund and which was collected in each city or  
21 county imposing a sales tax pursuant to this section, and the  
22 records shall be open to the inspection of officers of the city  
23 or county and the public.

24 6. Not later than the tenth day of each month the director  
25 of revenue shall distribute all moneys deposited in the trust  
26 fund during the preceding month to the city or county which  
27 levied the tax. Such funds shall be deposited with the county  
28 treasurer of each such county or the appropriate municipal  
29 officer in the case of a municipal tax, and all expenditures of  
30 funds arising from the local economic development sales tax trust  
31 fund shall be in accordance with this section.

32 7. The director of revenue may authorize the state  
33 treasurer to make refunds from the amounts in the trust fund and  
34 credited to any city or county for erroneous payments and  
35 overpayments made, and may redeem dishonored checks and drafts  
36 deposited to the credit of such cities and counties.

37 8. If any county or municipality abolishes the tax, the  
38 city or county shall notify the director of revenue of the action  
39 at least ninety days prior to the effective date of the repeal  
40 and the director of revenue may order retention in the trust  
41 fund, for a period of one year, of two percent of the amount  
42 collected after receipt of such notice to cover possible refunds  
43 or overpayment of the tax and to redeem dishonored checks and

1 drafts deposited to the credit of such accounts. After one year  
2 has elapsed after the effective date of abolition of the tax in  
3 such city or county, the director of revenue shall remit the  
4 balance in the account to the city or county and close the  
5 account of that city or county. The director of revenue shall  
6 notify each city or county of each instance of any amount  
7 refunded or any check redeemed from receipts due the city or  
8 county.

9 9. Except as modified in this section, all provisions of  
10 sections 32.085 and 32.087 shall apply to the tax imposed  
11 pursuant to this section.

12 10. (1) No revenue generated by the tax authorized in this  
13 section shall be used for any retail development project, except  
14 for the redevelopment of downtown areas and historic districts.  
15 Not more than twenty-five percent of the revenue generated shall  
16 be used annually for administrative purposes, including staff and  
17 facility costs.

18 (2) At least twenty percent of the revenue generated by  
19 the tax authorized in this section shall be used solely for  
20 projects directly related to long-term economic development  
21 preparation, including, but not limited to, the following:

- 22 (a) Acquisition of land;
- 23 (b) Installation of infrastructure for industrial or  
24 business parks;
- 25 (c) Improvement of water and wastewater treatment capacity;
- 26 (d) Extension of streets;
- 27 (e) Public facilities directly related to economic  
28 development and job creation; and
- 29 (f) Providing matching dollars for state or federal grants  
30 relating to such long-term projects.

31 (3) The remaining revenue generated by the tax authorized  
32 in this section may be used for, but shall not be limited to, the  
33 following:

- 34 (a) Marketing;
- 35 (b) Providing grants and loans to companies for job  
36 training, equipment acquisition, site development, and  
37 infrastructures;
- 38 (c) Training programs to prepare workers for advanced  
39 technologies and high skill jobs;
- 40 (d) Legal and accounting expenses directly associated with  
41 the economic development planning and preparation process;
- 42 (e) Developing value-added and export opportunities for  
43 Missouri agricultural products.

1           11. All revenue generated by the tax shall be deposited in  
2 a special trust fund and shall be used solely for the designated  
3 purposes. If the tax is repealed, all funds remaining in the  
4 special trust fund shall continue to be used solely for the  
5 designated purposes. Any funds in the special trust fund which  
6 are not needed for current expenditures may be invested by the  
7 governing body in accordance with applicable laws relating to the  
8 investment of other city or county funds.

9           12. (1) Any city or county imposing the tax authorized in  
10 this section shall establish an economic development tax board.  
11 The volunteer board shall receive no compensation or operating  
12 budget.

13           (2) The economic development tax board established by a  
14 city shall consist of at least five members, but may be increased  
15 to nine members. Either a five-member or nine-member board shall  
16 be designated in the order or ordinance imposing the sales tax  
17 authorized by this section, and the members are to be appointed  
18 as follows:

19           (a) One member of a five member board, or two members of a  
20 nine member board, shall be appointed by the school districts  
21 included within any economic development plan or area funded by  
22 the sales tax authorized in this section. Such member or members  
23 shall be appointed in any manner agreed upon by the affected  
24 districts;

25           (b) Three members of a five member board, or five members  
26 of a nine member board, shall be appointed by the chief elected  
27 officer of the city with the consent of the majority of the  
28 governing body of the city;

29           (c) One member of a five member board, or two members of a  
30 nine member board, shall be appointed by the governing body of  
31 the county in which the city is located.

32           (3) The economic development tax board established by a  
33 county shall consist of seven members, to be appointed as  
34 follows:

35           (a) One member shall be appointed by the school districts  
36 included within any economic development plan or area funded by  
37 the sales tax authorized in this section. Such member shall be  
38 appointed in any manner agreed upon by the affected districts;

39           (b) Four members shall be appointed by the governing body  
40 of the county; and

41           (c) Two members from the cities, towns, or villages within  
42 the county appointed in any manner agreed upon by the chief  
43 elected officers of the cities or villages.

1 Of the members initially appointed, three shall be designated to  
2 serve for terms of two years, except that when a nine member  
3 board is designated, seven of the members initially appointed  
4 shall be designated to serve for terms of two years, and the  
5 remaining members shall be designated to serve for a term of four  
6 years from the date of such initial appointments. Thereafter,  
7 the members appointed shall serve for a term of four years,  
8 except that all vacancies shall be filled for unexpired terms in  
9 the same manner as were the original appointments.

10 (4) If an economic development tax board established by a  
11 city is already in existence on August 28, 2012, any increase in  
12 the number of members of the board shall be designated in an  
13 order or ordinance. The four board members added to the board  
14 shall be appointed to a term with an expiration coinciding with  
15 the expiration of the terms of the three board member positions  
16 that were originally appointed to terms of two years.  
17 Thereafter, the additional members appointed shall serve for a  
18 term of four years, except that all vacancies shall be filled for  
19 unexpired terms in the same manner as were the additional  
20 appointments.

21 13. The board, subject to approval of the governing body of  
22 the city or county, shall consider economic development plans,  
23 economic development projects, or designations of an economic  
24 development area, and shall hold public hearings and provide  
25 notice of any such hearings. The board shall vote on all  
26 proposed economic development plans, economic development  
27 projects, or designations of an economic development area, and  
28 amendments thereto, within thirty days following completion of  
29 the hearing on any such plan, project, or designation, and shall  
30 make recommendations to the governing body within ninety days of  
31 the hearing concerning the adoption of or amendment to economic  
32 development plans, economic development projects, or designations  
33 of an economic development area. The governing body of the city  
34 or county shall have the final determination on use and  
35 expenditure of any funds received from the tax imposed under this  
36 section.

37 14. The board may consider and recommend using funds  
38 received from the tax imposed under this section for plans,  
39 projects or area designations outside the boundaries of the city  
40 or county imposing the tax if, and only if:

41 (1) The city or county imposing the tax or the state  
42 receives significant economic benefit from the plan, project or  
43 area designation; and

1 (2) The board establishes an agreement with the governing  
2 bodies of all cities and counties in which the plan, project or  
3 area designation is located detailing the authority and  
4 responsibilities of each governing body with regard to the plan,  
5 project or area designation.

6 15. Notwithstanding any other provision of law to the  
7 contrary, the economic development sales tax imposed under this  
8 section when imposed within a special taxing district, including  
9 but not limited to a tax increment financing district,  
10 neighborhood improvement district, or community improvement  
11 district, shall be excluded from the calculation of revenues  
12 available to such districts, and no revenues from any sales tax  
13 imposed under this section shall be used for the purposes of any  
14 such district unless recommended by the economic development tax  
15 board established under this section and approved by the  
16 governing body imposing the tax.

17 16. The board and the governing body of the city or county  
18 imposing the tax shall report at least annually to the governing  
19 body of the city or county on the use of the funds provided under  
20 this section and on the progress of any plan, project, or  
21 designation adopted under this section and shall make such report  
22 available to the public.

23 17. Not later than the first day of March each year the  
24 board shall submit to the joint committee on economic development  
25 a report, not exceeding one page in length, which must include  
26 the following information for each project using the tax  
27 authorized under this section:

- 28 (1) A statement of its primary economic development goals;  
29 (2) A statement of the total economic development sales tax  
30 revenues received during the immediately preceding calendar year;  
31 (3) A statement of total expenditures during the preceding  
32 calendar year in each of the following categories:  
33 (a) Infrastructure improvements;  
34 (b) Land and or buildings;  
35 (c) Machinery and equipment;  
36 (d) Job training investments;  
37 (e) Direct business incentives;  
38 (f) Marketing;  
39 (g) Administration and legal expenses; and  
40 (h) Other expenditures.

41 18. The governing body of any city or county that has  
42 adopted the sales tax authorized in this section may submit the  
43 question of repeal of the tax to the voters on any date available

for elections for the city or county. The ballot of submission shall be in substantially the following form:

Shall ..... (insert the name of the city or county) repeal the sales tax imposed at a rate of ..... (insert rate of percent) percent for economic development purposes?

☐ YES

☐ NO

If a majority of the votes cast on the proposal are in favor of the repeal, that repeal shall become effective on December thirty-first of the calendar year in which such repeal was approved. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the repeal, then the sales tax authorized in this section shall remain effective until the question is resubmitted under this section to the qualified voters of the city or county, and the repeal is approved by a majority of the qualified voters voting on the question.

19. Whenever the governing body of any city or county that has adopted the sales tax authorized in this section receives a petition, signed by ten percent of the registered voters of the city or county voting in the last gubernatorial election, calling for an election to repeal the sales tax imposed under this section, the governing body shall submit to the voters a proposal to repeal the tax. If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the repeal, that repeal shall become effective on December thirty-first of the calendar year in which such repeal was approved. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the repeal, then the tax shall remain effective until the question is resubmitted under this section to the qualified voters and the repeal is approved by a majority of the qualified voters voting on the question.

20. If any provision of this section or section 67.1303 or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or application of this section or section 67.1303 which can be given effect without the invalid provision or application, and to this end the provisions of this section and section 67.1303 are declared severable."; and

- 1 Further amend said bill by amending the title, enacting clause, and intersectional references
- 2 accordingly.